MOTION FILED
FEB 5 1979

In the
Supreme Court of the United States

OCTOBER TERM, 1978

NO. 78-1072

FORD MOTOR CREDIT COMPANY,
Petitioner,

versus

CATHERINE T. EDMONDSON,
Respondent.

BRIEF OF AMICI CURIAE THE NATIONAL CONSUMER FINANCE ASSOCIATION AND GENERAL MOTORS ACCEPTANCE CORPORATION IN SUPPORT OF PETITIONER

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MOTION FOR LEAVE TO FILE BRIEF
AS AMICI CURIAE

NOW INTO COURT, through undersigned counsel, come General Motors Acceptance Corporation and the National Consumer Finance Association, and move this Court for an order allowing them to file the attached brief as *amici curiae* in support of the position of petitioner Ford Motor Credit Company.

Movers show that Mr. Burgess W. Stone, counsel for petitioner, has consented to the filing of this brief, which consent is attested to in his letter of January 15, 1979, which is attached to the brief;

Movers further show that Mr. Jay Loeb, counsel for respondent, Catherine Edmondson, has consented to the filing of this brief on behalf of General Motors Acceptance Corporation, which consent is attested to in his letter of January 24, 1979, which is attached to the brief;

Finally, movers show that, after being informed of the

interest of the National Consumer Finance Association in the disposition of this case, counsel for respondent refused his consent to the filing of the attached brief as amicus curiae by the National Consumer Finance Association, but confirmed his consent to said filing on behalf of amicus GMAC.

For the reasons set forth in the "Statement of Interest of Amici Curiae," (pp. 1 through 3 of the attached brief), movers pray that this Court issue an order allowing the filing of the attached brief as amici curiae on behalf of General Motors Acceptance Corporation and the National Consumer Finance Association.

Respectfully submitted,

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TOPICAL INDEX

	PAGE
Statement of Interest of Amici Curiae	1
Reasons for Granting the Writ	3
I. The Current Status of Truth In Lending Law clearly calls for this Court to give Guidance to Creditors and Consumers in an Important Issue concerning Disclosure Requirements	3
II. Any Ruling against Ford Motor Credit should be applied prospectively only	10
Conclusion	15
Certificate of Service	17
Appendix I	A-1
Appendix II	A-2

TABLE OF AUTHORITIES

PAGE

CASES:

Chevron Oil Co. v. Huson, 404 U.S. 97 (1971) 106-107 10

James v. Ford Motor Credit Co., (No. 78-F-647, D. Col. Aug. 21, 1978) 5

Kessler v. Associates Financial Services Co., 573 F.2d 577 (9th Cir. 1977) 12

McDaniel v. Fulton National Bank, 571 F.2d 948 (5th Cir.) (en banc), reh. denied 576 F.2d 1156 (5th Cir. 1978) 11

Mourning v. Family Publications Service, 411 U.S. 356 (1973) 14

Rounds v. Community National Bank in Mammouth, 454 F.Supp. 883 (S.D. Ill. 1978) 5

STATUTES AND RULES:

Consumer Credit Protection Act, 15 U.S.C. §1601, et seq. 6

Truth in Lending Regulations, Regulation Z, 12 C.F.R. § 226.1, et seq. (1978) 6

TABLE OF AUTHORITIES (Continued)

PAGE

MISCELLANEOUS:

1. Annual Report to Congress on Truth in Lending for the year 1977, reprinted in Issue No. 484, Part II, CCH Consumer Credit Guide pp. 1, 9 and 11 7

2. Federal Reserve Board Staff Opinion No. 1263 [1974-77 Special Releases Transfer Binder] Consumer Credit Guide CCH ¶31,736 (November 23, 1977) 12

3. Hearings on S.3008 before the Subcommittee on Consumer Affairs of the Senate Committee on Banking, Housing and Urban Affairs, 94th Congress, Second Session: 364-365 (1976). 4

4. Senate Bill 2802, 95th Congress, Second Session (1978) S. 2802 9

5. Senate Report No. 95-720, 95th Congress, Second Session (1978), reprinted in Special Report Issue No. 496, CCH Consumer Credit Guide pp. 1-6. .....

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BRIEF OF AMICI CURIAE THE NATIONAL CONSUMER FINANCE ASSOCIATION AND GENERAL MOTORS ACCEPTANCE CORPORATION IN SUPPORT OF PETITIONER

STATEMENT OF INTEREST OF AMICI CURIAE

This case involves the interpretation of only a single issue of federal truth in lending law, and the dollar amount at stake is negligible. It would be, however, a serious mistake to overlook the enormous volume of credit transactions which will be adversely affected by this decision if the interpretation created by the Fifth Circuit is allowed to stand. At the present time, for example, total consumer installment credit outstanding in the United States is approximately 210-220 billion dollars and the rate of increase is climbing steadily each month. It is estimated that there are presently over 50 million individual consumer credit obligations in force in the

United States. A large portion of these transactions involve extensions of retail automotive credit or other closed-end security credit transactions which contain provisions regarding property damage insurance premiums and proceeds that are similar or identical to the provision at issue here.

The National Consumer Finance Association is the consumer finance industry's only trade association. Founded in 1916, the association represents 761 finance and industrial banking companies, with 15,742 offices across the United States. Members of the National Consumer Finance Association presently have over 50 billion dollars in outstanding consumer credit.

General Motors Acceptance Corporation ("GMAC") is a credit finance institution which is engaged in the business of purchasing retail installment contracts at a discount from automobile dealers. GMAC conducts its operations from 398 branch offices in the United States and Canada, from which it provides financing to over 18,400 General Motors dealers, servicing over 4,000,000 retail accounts. At the present time, GMAC has over 14 billion dollars in outstanding credit. In 1977, GMAC purchased over 2 million consumer retail installment contracts, and the forecast figures for 1978 approximate 2,110,000. There are presently 110 lawsuits pending against GMAC under the Truth in Lending Act, 61 of them in the Fifth Circuit's area of jurisdiction. Many of these suits have been filed in the wake of the Fifth Circuit's decision in this case, and allege that the Truth in Lending disclosure statements are inadequate because they, too, fail to disclose the borrower's assignment of returned or unearned physical damage insurance premiums, although such "disclosure" is contained in the installment contracts. In

the Eastern District of Louisiana, 17 of the 20 Truth in Lending suits now pending against GMAC allege inadequate disclosure of the "security interest" in unearned insurance premiums, relying on the appellate court's decision in this case.

REASONS FOR GRANTING THE WRIT

I. THE CURRENT STATUS OF TRUTH IN LENDING LAW CLEARLY CALLS FOR THIS COURT TO GIVE GUIDANCE TO CREDITORS AND CONSUMERS IN AN IMPORTANT ISSUE CONCERNING DISCLOSURE REQUIREMENTS.

Although the Truth in Lending Act was originally intended as a simple statute to require uniform statements of credit costs in order to facilitate the informed use of credit, the Act has developed into an intricate, burdensome, and highly technical statute which has generated an incredible variety of conflicting judicial and administrative decisions and interpretations. The issuance of Regulation Z, which was promulgated by the Federal Reserve Board under its authority to interpret and (with the Federal Trade Commission) enforce the Act, has proven equally susceptible to divergent and contradictory interpretations. In order to clarify the application of the Act and Regulation Z to specific factual situations, the Federal Reserve Board and its Staff have issued numerous formal and informal interpretations and opinions to aid sellers and lenders in their efforts to determine and comply with their disclosure responsibilities. Members of the consumer credit industry, attempting in good faith to comply, and relying upon Board interpretations and the provisions of the Act and Regulation Z, have devised printed disclosure forms which have been utilized in millions of consumer credit transactions each year.

Despite these good faith efforts to discern and comply with the requirements of the Act, there have been several instances in which an unprecedented and unforeseen theory of interpretation of the Act has been judicially adopted and retroactively applied. With each such decision, even though in conflict with others, all credit transactions consummated within the year prior to the decision suddenly become vulnerable to attack. A profile of truth in lending suits filed nationwide indicates that more suits are initiated to take advantage of such unsettling decisions or as purely defensive techniques than are instituted due to actual consumer concern with the disclosure of credit terms or costs.[1]

The credit industry has spent literally millions of dollars

1. See, for example, testimony of various witnesses in the Hearing before the Subcommittee on Consumer Affairs, Committee on Banking, Housing and Urban Affairs, United States Senate, 94th Congress, Second Session on S.3008 "Qui Tam and Federal Reserve Board Procedures", esp. Phillip C. Jackson, member, Board of Governors, Federal Reserve Board, wherein at p. 364-365, Governor Jackson states:

• • • •

> . . .when I became aware of the amount of litigation that has taken place over purely technical issues I personally share some of your judgments and, therefore, our staff is working not only today but with a relatively short deadline toward coming up with some specific recommendations.
>
> • • • •
>
> Senator Proxmire. Can you shed any light on reasons for the great increase in volume of the TIL case law?
>
> Mr. Jackson. I don't have a substantive study, but it's my personal opinion that, unfortunately, the purely technical aspects of the Truth-in-Lending statute are often used as a defense against actions which are otherwise based. In other words, many cases really involve something else, but the Truth-in-Lending techniques are used as the defense against an action for another purpose. That's a personal opinion, but maybe Mr. Hawke has a different one.

and untold hours of personnel time in devising, printing, distributing, revising, reprinting and redistributing disclosure forms in a good faith attempt to comply with the ever-changing and ofter contradictory judicial pronouncements on truth in lending requirements. Despite such efforts and the hypertechnical character of most of the disclosures which, by such retroactive decisions, have been held to violate the Truth in Lending Act, the credit industry has been severely penalized in judgments, settlements, and legal fees. Given the Act's automatic imposition of plaintiffs' attorneys fees, it is heardly surprising that, given one adverse, strained judicial interpretation, scores of identical claims are immediately instituted.

The situation which has arisen as a result of the Fifth Circuit's decision in this case is a classic illustration of the quandary in which the credit industry has repeatedly been placed by such judicial expansion of disclosure requirements. In this case, the Fifth Circuit has decided that a creditor must disclose as a "security interest" any contractual assignment to the creditor of returned or unearned premiums which may be due upon the cancellation or other termination of physical damage insurance on debt collateral. This holding is directly contrary to the concept of security interests in the Truth in Lending Act itself, the interpretation of the term "security interest" by the Federal Reserve Board, and decisions in various federal district courts.[2] The decision has plunged the already contorted status of truth in lending law and the cred-

2. See *Rounds v. Community Nat. Bank in Mamouth, et al.*, 454 F. Supp 883 (S.D. Ill. 1978), affirmed *Basham v. Finance America Corp.*, 583 F.2d 918 (7th Cir. 1978) and *James v. Ford Motor Credit Co.*, (No. 78-F-647, D.Col. Aug. 21, 1978), discussed in petitioner's brief at pp. 13-14.

it industry into chaos. In a highly technical area such as this, justice requires that creditors be permitted to rely upon the clear requirements of the Act and Regulation Z as written and as interpreted by the Federal Reserve Board. The case at bar presents an opportunity for this Court to affirm this basic principle on an issue which seriously affects the entire credit industry.

Under the guidelines set forth in Rule 19 of the Supreme Court Rules, one of the most compelling reasons for which this Court should grant review on a petition of certiorari is that the Fifth Circuit Court of Appeals "has decided an important question of federal law which has not been, but should be, settled by this Court." The appellate decision in this case presents a new and radical departure from established judicial and administrative interpretations defining security interests under the Truth in Lending Act ("the Act") (15 U.S.C. § 1601 et seq.) and Regulation Z of the Federal Reserve Board, (12 C.F.R. § 226 et seq.). The decision overlooks authoritative directives of the Board in failing to examine state law to determine what constitutes a security interest. The Court's decision, in so doing, conflicts with the criteria established by other federal courts and the Board to determine the existence and extent of a security interest. The Court of Appeals simply legislated a disclosure requirement which does not exist, either in the Act itself or in Regulation Z. The effect of this unwarranted assumption of Congressional authority is to create such disorder in the courts and in the credit industry as to completely frustrate the purpose for which the Act was enacted.

There has been almost universal recognition, on the parts of courts, the Federal Reserve Board, the credit industry, and

consumer protection agencies, that the present disclosure requirements are as baffling to the credit industry as they are to the consumer. In response to such widespread concern over the confusion engendered by the complexity of truth in lending law and strained judicial interpretations, the U. S. Senate recently passed Senate Bill No. 2802, known as the Truth in Lending Simplification and Reform Act. This composite bill received the unanimous endorsement of the members of the Senate Banking Committee, most of whom were proponents of the original Truth in Lending Act, and several of whom had themselves introduced truth in lending simplication bills.[3]

In its Annual Report to Congress on Truth in Lending for the year 1977,[4] the Board recognized "the need for simplification of the requirements of both the Truth in Lending Act and Regulation Z." The board declared that, because many of the problems and complexities arise from the statute itself and cannot be solved through regulatory change, (p. 1) the Board had submitted a proposed simplication bill to the Senate Banking Committee. The Board report noted that "...most violations that have been discovered are technical in nature and result from misunderstanding, inadvertence, or clerical error." (p. 9). The report also mentioned that the Consumer Advisory Council had "expressed special concern about the complexity of the current disclosures and the need

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3. See S.1212, introduced by Senator Proxmire; S.1501, introduced by Senators Garn, Schmitt and Tower; S.1653, introduced by Senator Riegle; and S.1846, introduced by Senator Proxmire on request of the Federal Reserve Board.

4. See Annual Report to Congress on Truth-in-Lending for the year 1977, reprinted in issue No. 484, Part II, CCH Consumer Credit Guide, 1, 9, 11.

to simplify the requirements." (p. 11) In his Report to the Senate recommending passage of the simplification bill, Senator Riegle of the Committee on Banking, Housing & Urban Affairs stated:

> ". . ., there is a growing belief among consumers and creditors alike that the act could be substantially improved. There is considerable evidence, for example, that disclosure forms given consumers are too lengthy and difficult to understand. Creditors on the other hand, have encountered increasing difficulty in keeping current with a steady stream of administrative interpretations and amendments, as well as highly technical judicial decisions. There is also evidence that many creditors have sincerely tried to comply with the act but, due to its increasing complexity and frequent changes, have nonetheless found themselves in violation and subject to litigation.
>
> (p. 2)

Senator Proxmire explained that the new bill

> ". . . would narrow a creditor's civil liability for statutory penalties to only those disclosures which are of central importance in understanding a credit transaction's cost or terms. It is anticipated that this will eliminate litigation which is based on violations of a purely technical nature.

> In a "closed end" transaction, such as an auto loan, the creditor's civil liability for statutory penalties would be limited to disclosure of the amount financed, the finance charge, the total of payments, the annual percentage rate, the number, amount, and due dates of payments, any security interest taken, and, where applicable, the consumer's right of rescission.
>
> (p.6)

The Truth in Lending Simplification bill passed by the Senate will require the Board to promulgate model forms and clauses for common transactions. The use of these forms, while not mandatory, would guarantee compliance of the Act. The model disclosure statement, prepared by the Board staff to illustrate the disclosures required under the new Senate bill,[5] describes the security interest as follows:

> "Your _____ is pledged as collateral to secure payment of this credit in addition to the property purchased as part of this transaction."

There is no reference, anywhere on the model disclosure statement, to the disposition of either proceeds or unearned premiums for physical damage or other insurance. Nor is there any suggestion that assignment of such proceeds or premiums should be disclosed as part of the creditor's security interest. It is also interesting to note that the disclosure statement attached to and referred to in Senator Riegle's report as "a common truth in lending disclosure statement

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5. See Appendix p. A-1. This model disclosure statement is included in Senator Riegle's Report to the Senate on S.2802, "A-1, Exhibit B."

for credit sales in use today"[6] also contains no reference, in the security interest disclosure, to a creditor's interest in assigned proceeds or unearned premiums of property insurance. The reason for this is obvious: Neither the present Truth in Lending Act, Regulation Z or the pending Simplification Act (reintroduced in the present Senate as S.108) requires or intends to require that such assignments be considered security interests under truth in lending.

The Court of Appeals has clearly exceeded its authority in requiring disclosure of assignments of unearned insurance premiums as "security interests". [Such assignments are, of course, disclosed to the purchaser in the installment contract. The question is whether disclosure must be repeated in the disclosure statement] In so doing, it has misapprehended both the intent and substance of the Truth in Lending Act, with devastating implications for the credit industry.

II. ANY RULING AGAINST FORD MOTOR CREDIT COMPANY SHOULD BE APPLIED PROSPECTIVELY ONLY.

A. A Court Will Apply Its Ruling Prospectively Where Retroactive Application Would Be Inequitable.

In appropriate circumstances, judicial decisions are given prospective effect only. The guidelines for determining when a ruling should be given prospective application were set forth by this Court in *Chevron Oil Co. v. Huson*, 404 U.S. 97, 106-07 (1971):

6. Appendix p. A-2. This disclosure statement was included in Senator Riegle's report to the Senate on S.1802, "A-2, Exhibit A."

> "First, the decision to be applied nonretroactively must establish a new principle of law, either by overruling clear past precedent on which litigants may have relied . . . or by deciding an issue of first impression whose resolution was not clearly foreshadowed . . . . Second, it has been stressed that 'we must . . . weigh the merits and demerits in each case by looking to the prior history of the rule in question, its purpose and effect, and whether retrospective operation will further or retard its operation.' . . . Finally, we have weighed the inequity imposed by retroactive application, for '[w]here a decision of this Court could produce substantial inequitable results if applied retroactively, there is ample basis in our cases for avoiding the "injustice or hardship" by a holding of nonretroactivity.' "

The truth-in-lending field is an especially appropriate area for prospective application of new judicial rulings. With only vague statutory and regulatory guidelines in certain areas, creditors are forced to rely upon the pronouncements of the Board and whatever judicial guidance there may be on the issue. Creditors rely upon this valuable guidance in choosing documents and should not be required to anticipate a court's subsequent departure therefrom. Also, retroactive application would not further the Act's purpose to promote "meaningful disclosure." Retroactive application of unanticipated rulings would only serve to penalize unsuspecting creditors – it would not result in more "meaningful disclosure" to previous consumers, since conforming disclosure statements could, of course, only be given in future transactions.[7]

7. The injustice of such a retroactive application was persuasive to the Fifth Circuit in *McDaniel v. Fulton Nat'l Bank*, 571 F.2d 948 (5th Cir.)
(Footnote 7 - continued on next page)

B. The decision of the Court of Appeals, if allowed to stand, would apply retroactively to all credit transactions executed within the past year. Such a decision would be grossly inequitable.

If this Court should decide to affirm the holding of the Court of Appeal, the ruling should be given prospective application.

The Fifth Circuit's ruling in this case is a radical and unprecedented departure from prior judicial decisions and from the explicit interpretations of the Federal Reserve Board, which looked to state law to determine the nature and scope of a security interest. FRB Staff Opinion No. 1263,[8] issued prior to the lower court's decision in this case, addressed this issue directly:

"Your first several questions relate to the treatment of insurance for disclosure purposes in various situations, . . . [where] . . . the security agreement . . . provides that insurance proceeds shall be

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(Footnote 7 - continued from previous page)

(en banc), reh. denied, 576 F.2d 1156 (5th Cir. 1978). In *McDaniel,* the Court held that, except as to the litigants in the case, its ruling on the acceleration clause issue was to be applied prospectively only, commencing 90 days after the date of the decision. Although in *Kessler v. Associates Financial Services Co.,* 573 F.2d 577 (9th Cir. 1977), this Court held that it was improper for a *district court* to apply its decision prospectively, the Court specifically recognized that such application is a proper function of an appellate court.

8. Federal Reserve Board Staff Opinion No. 1263] 1974-1077 Special Releases Transfer Binder] Cons. Cred. Guide (CCH) ¶31,736 (November 23, 1977).

payable to the creditor, and gives the creditor an interest in all returned and unearned premiums. You ask what sort of identification of the type of security interests would comply with § 226.8(b)(5) in the situations described above.

What constitutes adequate identification of the type of security interest acquired by the creditor depends on how relevant state law would describe the security interest. Note that a more fundamental matter in these circumstances may be to determine whether a security interest exists at all and, if so, to identify the property subject to such interest. Section 226.2(gg) defines 'security interest' as 'any interest in property which secures payment or performance of an obligation'. Thus, if the creditor does not acquire any interest in property (including real property, intangible or tangible personal property), ***or if any such interest does not secure payment of the debt, no security interest exists.*** For example, the contractual right to proceeds from an insurance policy may not amount to an interest in property. On the other hand, assignment of returned and unearned premiums may transfer to the creditor such an interest. However, Staff believes ***these questions would be better addressed as a matter of state law."*** [Emphasis supplied].

The Fifth Circuit's decision, ignoring the express analysis of the Board on this issue, noted, "Fortunately we need not tarry long over the complexities of Georgia's commercial law...." (Opinion at 5757)

This Court has itself recognized the weight to be accorded the opinions and interpreations of the Board. (See *Mourning v. Family Publications Service*, 411 U.S. 356 (1973). Section 130(f) of the Act was amended to specifically allow creditors to rely on interpretations of the Board:

> (f) *No provision* of this section or section 112 *imposing any liability shall apply to any act done or omitted in good faith in conformity with any rule, regulation, or interpretation thereof by the Board* or in conformity with any interpretation or approval by an official or employee of the Federal Reserve System duly authorized by the Board to issue such interpretations or approvals under such procedures as the Board may prescribe therefor, *notwithstanding that after such act or omission has occured, such* rule, regulation, *interpretation*, or approval *is* amended, rescinded, or *determined by judicial or other authority to be invalid for any reason.* (Emphasis supplied)

In the millions of transactions in which petitioner and other members of the consumer credit industry have based their security interest disclosures on the definitions of security interests contained in the U.C.C. or in the laws of the various states, these lenders were acting in good faith in conformity with an interpretation of the Board.

To impose liability retroactively on petitioner or on any such good faith creditor would be a blatant disregard of the provisions of the Act itself.

C. Retroactive Application Would Not Further the Purposes of the Act and Would Penalize Ford Credit and Other Creditors Notwithstanding Good Faith Efforts to Comply With the Act and Regulation Z.

The effect that retroactive application of any adverse decision in this case would have upon the credit industry is truly staggering. Each of an estimated 50 million installment contracts could give rise to individual penalties of $100 to $1,000, and the class action recoveries against each creditor could be as high as $500,000 or 1% of the creditor's net worth.

This injustice becomes even more obvious when it is recognized that retroactive application would in no way further the purposes of the Act. Although prospective application of the statutory penalties will promote compliance with the Act by penalizing creditors who do not amend their forms to comply with the Court's ruling, retroactive application of the decision cannot possibly deter violations of the Act, and will only serve to foster litigation against creditors who have in good faith attempted to comply with all known statutory and regulatory requirements.

CONCLUSION

For the reasons stated herein and in the original brief of petitioner, Ford Motor Credit Company, it is respectfully submitted that the disclosure statement provided by Ford

Ford Motor Credit in this case complied with the requirements of the Act and Regulation Z and that no liability should be imposed upon Ford. We urge this Court to issue a writ of certiorari to review the decision in this case and to reverse the decision of the appellate court. At the very least and alternatively, we urge this Court to grant a writ of certiorari and to order that the judgment of the appellate court in this case be applied prospectively only.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that three copies of the foregoing Brief of Amici Curiae have been served on Jay Loeb, 30 Healey Boulevard, P.O. Box 2872, Atlanta, Georgia 30301; Burgess W. Stone, 2415 The Equitable Building, 100 Peachtree Street, Atlanta, Georgia 30303, this 2nd day of February, 1979.

DAVID L. CAMPBELL

A-1

EXHIBIT B

ABC Sales Company
One Illinois St., Washington, D.C. 20001

ANNUAL PERCENTAGE RATE (the cost of your credit expressed as a yearly rate) ..... _____%

FINANCE CHARGE (the dollar amount the credit will cost you) ..... $_____
It does not include a $_____ fee for filing a security interest.

AMOUNT FINANCED (the amount of credit you will receive) ..... $_____

TOTAL OF PAYMENTS (the amount you will pay when you make all the payments) ..... $_____

The total of payments will be paid in _____ monthly instalments of $_____ which are due on the _____ day of each month. The first payment is due on _____ and the last payment on _____.

TOTAL SALE PRICE (the total cost of your purchase on credit, including your down payment of $_____) $_____

CREDIT LIFE AND DISABILITY INSURANCE: Credit life and disability insurance is not required to obtain this credit. If you take the insurance, the cost disclosed below will be included in the amount financed.

	Check if desired	Cost
Credit life (for term of credit)	_____	$_____
Credit disability (for term of credit)	_____	$_____

I desire the insurance checked above. _____ _____
Signature Date

PROPERTY INSURANCE: Property insurance as indicated below is required. You may get this insurance from any company you wish. If bought from us, the costs are as follows:

_____ $_____
_____ $_____

LATE PAYMENTS: If you delay any payment by more than ___ days after the due date, you will be charged $_____.

SECURITY INTEREST. Your _____ is pledged as collateral to secure payment of this credit in addition to the property purchased as part of this transaction.

PREPAYMENT: If you refinance or prepay in full the amount you owe, you may be entitled to get back a portion of the finance charge.

YOU SHOULD READ YOUR CONTRACT FOR OTHER IMPORTANT INFORMATION INCLUDING OUR RIGHT TO DECLARE THE FULL BALANCE DUE IN THE EVENT OF NONPAYMENT OR OTHER DEFAULT, AND PREPAYMENT REBATES AND PENALTIES.

A-2

EXHIBIT A

Federal Truth in Lending Instalment Credit Disclosure Statement

CUSTOMERS (Names and Addresses):

CREDITORS (Names and Addresses)

Transaction Date ____ No. ____

This disclosure relates to a:

☐ Credit Sale ☐ Loan ☐ ____

☐ New Transaction ☐ Add-On ☐ Refinancing

DISCLOSURES FOR CREDIT SALES ONLY:

1. Cash Price ..... $ ____
2. Less: Cash Downpayment ..... $ ____
3. Trade-in ..... $ ____
4. Total Downpayment (2+3) ..... $ ____
5. Unpaid Balance of Cash Price ..... $ ____
6. Unpaid Balance ..... $ ____
   (Sum of Items 5+8+9+10+11+12)
7. Deferred Payment Price ..... $ ____
   (Sum of Items 1+8+9+10+11+12+17)

NOTE: Appropriate portions of remainder of statement must be filled in for credit sales.

DISCLOSURES FOR ALL TRANSACTIONS:

8. Credit Life Insurance Charge ..... $ ____
9. Disability Insurance Charge ..... $ ____
10. Property Insurance Charge ..... $ ____
11. Recording Fee(s) ..... $ ____
12. Other Charges ____ $ ____
    ____ $ ____
    ____ $ ____
13. Amount Financed ..... $ ____
14. Prepaid Finance Charge ..... $ ____
15. Required Deposit Balance ..... $ ____
16. Total Prepaid Finance Charge and Required Deposit Balance (14+15) ..... $ ____
17. FINANCE CHARGE ..... $ ____
18. Total of Payments ..... $ ____
19. ANNUAL PERCENTAGE RATE ..... ____ %

ADDITIONAL DISCLOSURES REQUIRED IN ALL TRANSACTIONS

This transaction is payable in ____ consecutive monthly instalments. The due date of the first payment is ____ Other payments are due the ____ day of each month. The final payment is due on or before ____ Amount of the first payment $____ Others $____

The amount of the final payment is $____ and ☐ IS ☐ IS NOT a BALLOON PAYMENT. If the final payment is a balloon payment and is not paid when due, it may be refinanced as follows:

DELAYED FINANCE CHARGE: Unless another date is specified in the space immediately following, the finance charge is imposed as of the date of the transaction. Delayed date ____

REBATE FOR PREPAYMENT IN FULL: If this transaction is prepaid in full by cash, an add-on purchase, new loan, refinancing or otherwise before the final instalment date, the customer shall receive a rebate of the finance charge computed as follows (e.g., Rule of 78's):

DEFAULT CHARGE(S): The amount, or method of computing the amount, of any default, delinquency or similar charges payable in the event of late payments is as follows:

PROPERTY INSURANCE, if written in connection with this transaction, extends to ____ The cost is shown in Item 10 and customer is hereby advised of his right to obtain this insurance from any other person or source.

CREDIT LIFE AND DISABILITY INSURANCE at an extra charge is not required in order for credit to be extended. If provided by the creditor, the charge for credit life insurance is shown in Item 8 and the charge for disability insurance is shown in Item 9.

I desire Credit Life and Disability Insurance.	I desire Credit Life Insurance only.	I DO NOT want Credit Life or Disability Insurance.
(Date) (Signature)	(Date) (Signature)	(Date) (Signature)

SECURITY AGREEMENT: ☐ This transaction is unsecured. ☐ This transaction is secured by (specify type of security interest, such as purchase money security agreement, chattel mortgage, conditional sale, etc.): ____ of even date, covering (give description, including make and serial number for motor vehicles) ____

☐ The security agreement will secure future or other indebtedness and will cover after-acquired property.

I ACKNOWLEDGE RECEIPT OF THIS STATEMENT and I further understand that the disclosures herein are made solely for the purpose of compliance by the creditor with the Federal Truth in Lending Act and regulations issued thereunder. In addition, I acknowledge that these disclosures may be inconsistent with other disclosures required by state law in the contract or agreement to which these disclosures apply, and I agree that disclosures relating to the FINANCE CHARGE and the ANNUAL PERCENTAGE RATE are in no way to be considered as part of the agreement or contract identified herein.

Witness ____ Customer ____ Date ____

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A-3

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January 24, 1979

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Jay E. Loeb

Robert Galanti

Mailing Address
P. O. Box 2872
Atlanta, Georgia 30301

Mr. David Campbell
One Shell Square, Suite 4285
New Orleans, Louisiana 70139

Dear Mr. Campbell:

Re: Ford Motor Credit Company vs.
Catherine Edmonson

I am in receipt of your letter dated January 19, 1979 requesting my permission to file an amicus curiae brief for GMAC and National Consumer Finance Assosication. This letter confirms my conversation with Ms. Yates for GMAC to file an amicus curiae brief. There was no discussion regarding NCFA, and I do not consent to their filing an amicus curiae brief at this time without knowing the reasons for their interest.

Yours very truly,

s/ Jay E. Loeb
Jay E. Loeb

JEL:jh

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January 15, 1979

Mr. David Campbell
Attorney at Law
One Shell Square, Suite 4285
New Orleans, Louisiana 70139

Dear David:

Re: Ford Motor Credit Company v. Catherine Edmondson
Supreme Court of the United States, No. 78-1072

This is to advise you that as counsel for Ford Motor Credit Company, petitioner in the above-referenced case, I have no objections to and consent to your filing an amicus curiae brief in said case.

Yours very truly,

LEVINE & D'ALESSIO, P.A.

s/ Burgess W. Stone
Burgess W. Stone

BWS/vf